

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

On Broadway Apartments, located at 1901 Broadway in Sacramento, requested and is being recommended for a reservation of \$3,945,000 in annual federal tax credits and \$4,425,401 in total state tax credits to finance the new construction of 138 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by EAH Inc. and will be located in Senate District 6 and Assembly District 7.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) and Affordable Housing and Sustainable Communities (AHSC) programs of HCD.

Project Number CA-22-608

Project Name On Broadway Apartments
 Site Address: 1901 Broadway
 Sacramento, CA 95818 County: Sacramento
 Census Tract: 20.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,945,000	\$4,425,401
Recommended:	\$3,945,000	\$4,425,401

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant: Broadway Station, LP
 Contact: Welton Jordan
 Address: 22 Pelican Way
 San Rafael, CA 94901
 Phone: (415) 295-8876
 Email: welton.jordan@eahhousing.org

General Partner(s) or Principal Owner(s): 1901 Broadway Sacramento EAH, LLC
 General Partner Type: Nonprofit
 Parent Company(ies): EAH Inc.
 Developer: EAH Inc.
 Bond Issuer: Sacramento Housing and Redevelopment Agency
 Investor/Consultant: California Housing Partnership Corporation
 Management Agent: EAH Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 2
 Total # of Units: 140
 No. / % of Low Income Units: 138 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-Based Vouchers(37 Units-27%

Information

Housing Type: Large Family
 Geographic Area: Capital Region
 CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	37	27%
50% AMI:	52	38%
60% AMI:	49	36%

Unit Mix

68 1-Bedroom Units
36 2-Bedroom Units
36 3-Bedroom Units
140 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
32 1 Bedroom	30%	\$570
4 2 Bedrooms	30%	\$684
1 3 Bedrooms	30%	\$790
19 1 Bedroom	50%	\$950
16 2 Bedrooms	50%	\$1,140
17 3 Bedrooms	50%	\$1,317
17 1 Bedroom	60%	\$1,140
15 2 Bedrooms	60%	\$1,368
17 3 Bedrooms	60%	\$1,580
1 2 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,909,608
Construction Costs	\$55,619,782
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,927,428
Soft Cost Contingency	\$484,352
Relocation	\$0
Architectural/Engineering	\$1,852,853
Const. Interest, Perm. Financing	\$6,187,892
Legal Fees	\$204,920
Reserves	\$1,068,991
Other Costs	\$2,417,304
Developer Fee	\$9,926,808
Commercial Costs	\$2,047,359
Total	\$89,647,297

Residential

Construction Cost Per Square Foot:	\$388
Per Unit Cost:	\$623,999
True Cash Per Unit Cost*:	\$623,999

Construction Financing

Source	Amount
Union Bank - Tax-Exempt	\$46,348,048
Union Bank	\$24,662,163
SHRA ¹	\$3,300,000
Costs Deferred Until Conversion	\$3,749,060
Deferred Developer Fee	\$2,214,932
General Partner Contribution	\$5,511,876
Tax Credit Equity	\$3,861,218

Permanent Financing

Source	Amount
Union Bank - Tax-Exempt	\$6,117,000
HCD - AHSC	\$19,000,000
NPLH Competitive Loan	\$6,992,580
NPLH Competitive Loan	\$2,287,737
SHRA ¹	\$3,300,000
SHRA ¹ Loan - Perm Only	\$4,000,000
General Partner Contribution	\$5,511,876
Tax Credit Equity	\$40,223,172
TOTAL	\$89,647,297

¹Sacramento Housing and Redevelopment Agency

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$75,865,393
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$98,625,011
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,945,000
Total State Credit:	\$4,425,401
Approved Developer Fee in Project Cost:	\$9,926,808
Approved Developer Fee in Eligible Basis:	\$9,686,673
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.92537
State Tax Credit Factor:	\$0.84000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.